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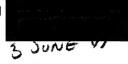
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25X1A2a

CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT



COUNTRY

French Indo China

4

25X1A6a

SUBJECT

Notes on Gurrent Situation

DIST. 27 May 1947

PAGES

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DATE

SUPPLEMENT

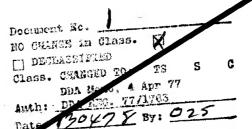
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C-2 1. HO Chi Minh is interested in the independence of Tonkin, Annau and Cochin China. He is not opposed to a federation of all the states, including Cambodia and Laos and also possibly Siam and Burma, but he is not working actively for the federation now. Siam and Burma have already expressed interest in the establishment of a federation. (Washington note: See

25X1A2g for a statement by Nai Fridi that Siam hopes to establish the muceus of a Southeast Asia Federation with Laos and Cambodia, and does not intend to wait for Viet Nam.)

- C-6 2. Viet Nam currency is gaining in strength. At first it had the same value as French currency but now the ratio is 90 cents in French money to \$1.00 in Viet Nam money. The highest exchange was .70 to \$1.00. It is easy to exchange French money for Viet Namese money and to buy from the Chinese, Siamese, etc. However, those with French money are suspected of collaboration and this has contributed to the increased value of Viet Nam currency.
- C-6 3. The French buried arms and gold when the Japanese came into French Indo China. Much has been found. The French killed the Annamites who helped them bury it. They intended to return to reclaim it but deserters from the French Army revealed the hiding places. The Viet Nem Government can buy arms in China, Siam and Burma and they are trying to buy from the Philippines.
- C-6 h. French soldiers in Indo China are very susceptible to leaflet propaganda and there have been some desertions as a result of this. Viet Nam propaganda lines stress the futility of fighting for the two hundred families who rule France.



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